

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 614 - SB 872

June 12, 2009

SUMMARY OF AMENDMENT (009945): Deletes the language of the original bill. Delays enactment of the provisions of Public Chapter 1108 of the Public Acts of 2008 (Tennessee Voter Confidence Act) until no later than the general election of 2012. Requires any voting system purchased or leased after August 1, 2011, to be a system using precinct-based optical scanners. Requires every effort be made to purchase precinct-based optical scanner voting systems manufactured in the United States. Sets out the procedure for conducting an automatic audit of a voting precinct.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Prevents the expenditure of Federal HAVA (Help America Vote Act) funds of \$25,000,000 which were to be used to purchase county voting systems that provided voter-verified paper ballots of the voter's vote as required by the Tennessee Voter Confidence Act.

Local Expenditures – Cost Avoidance –
Exceeds \$11,000,000/Every Two Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – Exceeds \$1,000,000/One- Time/
Federal HAVA Funds**

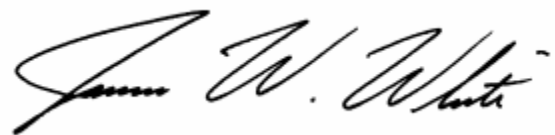
Other Fiscal Impact – Delays up to two years the expenditure of Federal HAVA (Help America Vote Act) funds of \$25,000,000 to purchase county voting systems which provide voter-verified paper ballots of the voter's vote. Delays up to two years, costs exceeding \$11,000,000 in local government expenditures every two years.

Assumptions applied to amendment:

- Implementation of the provisions of Public Chapter 1108 of the Public Acts of 2008 will be delayed until no later than the general election of 2012. However, any voting system purchased or leased after August 1, 2011, must be a precinct-based optical scanner voting system.
- According to the State Coordinator of Elections, the implementation of the optical scan voting system to replace the voting systems in 93 Tennessee counties that now use Direct Recording Electronic Voting machines (DREs) will result in a one-time increase in federal expenditures (HAVA) of approximately \$25,000,000.
- Two counties, Pickett and Hamilton, currently have optical scan machines.
- There are approximately 2,500 precincts in Tennessee.
- Each precinct would need at least one scanner and one marking device for voters with disabilities. Scanners and marking devices would cost approximately \$5,000 each. ($\$5,000 \times 2 \text{ devices} = \$10,000 \text{ each precinct} \times 2,500 \text{ precincts} = \$25,000,000 \text{ statewide}$).
- The cost to local government to change each county from a DRE voting system to a precinct-based optical scanner voting system, and the cost to conduct federal, state, countywide, and municipal elections using the new system is estimated to be in excess of \$11,000,000 every two years.
- This estimate reflects a cost savings of at least \$200,000 due to the change in the audit procedures of voting precincts. For counties having a population of less than 300,000, machine audits will be conducted in one precinct in each county selected randomly. For counties having a population of more than 300,000, at least five randomly selected precincts in the county will be audited. The cost savings is based on machine audits versus hand count audits.
- According to the Coordinator of Elections, at least \$1,000,000 in one-time interest earnings will be earned and credited to the Federal HAVA Funds by delaying the implementation of Public Chapter 1108.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rct